

THE SCHOOL ADMINISTRATOR

and Uniform Compliance Guidelines ISSUED BY STATE BOARD OF ACCOUNTS

Volume 156

December 2001

ITEMS TO REMEMBER

DECEMBER

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| December | 1: | Prove the Fund Ledger and Ledger of Receipts for the month of November to the control of all funds and reconcile the control with the depository statement. Prove all receipt accounts for each fund to total receipts for that fund. Prove the Ledger of Appropriations, Allotments, Encumbrances, Disbursements, and Balances to the total disbursements of the control account of the Fund Ledger. Prove all expenditure accounts with each program to the total disbursements of that program. |
| December | 20: | Last day to report and make payment of state and county income tax withheld during November to the Department of Revenue. (Please review Volume 140, Page 7, December 1997.) |
| December | 20: | Payment for school aid bonds and coupons due in January must be made to civil townships by school corporations reorganized according to the provision of Chapter 202, Acts of 1959 if the reorganization plan provides for such payments or if the board of school trustees by resolution adopted has provided for such payments. (IC 20-4-1-35) |
| December | 25: | Merry Christmas - Legal Holiday (IC 1-1-9-1) |

JANUARY

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| January | 1: | New Year's Day - Legal Holiday (IC 1-1-9-1) |
| January | 2: | Open a Ledger of Appropriations, Allotments, Encumbrances, Disbursements, and Balances by recording the appropriations by programs approved by the board of school trustees in the Resolution of Appropriations for the 2001 calendar year unless such appropriations must be reduced pursuant to action taken by the County Board of Tax Adjustment (if applicable) or by the State Board of Tax Commissioners. Record in the expenditure accounts of each program the allotments made by the board of school trustees. Also add to the 2002 year's appropriations by programs and to the expenditure accounts by allotments, any encumbered appropriations and allotments of the 2001 calendar year to be carried forward. |
| January | 2-31: | Annual meeting of the school board to organize as board of finance by electing one member as president and one member as secretary for the year. A school corporation (as defined in IC 36-1-2-17) may determine if a board of finance meeting is needed on an annual basis. (After the first Monday and on or before the last day of January.) (IC 5-13-7-6) |
| January | 20: | Last day to report and make payment of state and county income tax withheld during December to the Department of Revenue. (Please review Volume 140, Page 7, December 1997.) |

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JANUARY
(Continued)

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| January | 21: | Martin Luther King, Jr.'s Birthday - Legal Holiday (IC 1-1-9-2) |
| January | 31: | Last day to file fourth quarter report with the Internal Revenue Service and complete payment of federal tax withheld. Each employee shall be furnished Form W-2. |
| January | 31: | Last day to file form 100-R, Report of Names, Addresses, Duties and Compensation of Officers and Employees, with the State Board of Accounts. |

FEBRUARY

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| February | 1: | Prove all ledgers for the month ending January 31 as outlined for the month of December. |
| February | 12: | Legal Holiday - Lincoln's Birthday. (IC 1-1-9-1) |
| February | 18: | Legal Holiday -Washington's Birthday. (IC 1-1-9-1) |
| February | 20: | Last day to report and make payment of state and county income tax withheld during January to the Department of Revenue. (Please review Volume 140, Page 7, December 1997.) |
| February | 28: | Last day to file withholding statements together with Yearly Reconciliation of Employer's Quarterly Tax Returns with Internal Revenue and Indiana Department of Revenue, respectively. |

SOCIAL SECURITY WITHHOLDINGS - 2002

We understand that for 2002 the maximum amount of taxable and creditable annual earnings subject to Social Security will increase to \$84,900 up from \$80,400 in 2001. No maximum base for Medicare will exist. Rates will remain at the 2001 level at a combined rate of 7.65 percent (both employer and employee for a total of 15.3 percent) representing a 6.20 percent rate for Social Security and 1.45 percent for Medicare.

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LEGAL ADVERTISING

Public Hearings, Meetings.- Number of Publications

The statute governing the publication of legal notices and annual reports may be found in IC 5-3-1. IC 5-3-1-1 details the method of calculating the compensation of the publisher which may be claimed after the notice or report has been published. Please see Volume 153 of the March 2001 The School Administrator and Uniform Compliance Guidelines for rates for legal advertising.

IC 5-3-1-1 also describes the specifications which the publisher is to follow in setting the type for the notice or report. IC 5-3-1-2 states in part (b) “. . . If the event is a public hearing or meeting concerning any matter not specifically mentioned in (IC 5-3-1-2) (c), (d), (e), (f), (g), or (h), notice shall be published one (1) time, at least ten (10) days before the date of the hearing or meeting.

(c) If the event is an election, notice shall be published one (1) time, at least ten (10) days before the date of the election.

(d) If the event is a sale of bonds, notes, or warrants, notice shall be published two (2) times, at least one (1) week apart, with:

- (1) the first publication made at least fifteen (15) days before the date of the sale; and
- (2) the second publication made at least three (3) days before the date of the sale.

(e) If the event is the receiving of bids, notice shall be published two (2) times, at least one (1) week apart, with the second publication made at least ten (10) days before the date the bids will be received.

(f) If the event is the establishment of a cumulative or sinking fund, notice of the proposal and of the public hearing that is required to be held by the political subdivision shall be published two (2) times, at least one (1) week apart, with the second publication made at least three (3) days before the date of the hearing.

(g) If the event is the submission of a proposal adopted by a political subdivision for cumulative or sinking fund for the approval of the state board of tax commissioners, the notice of the submission shall be published one (1) time. The political subdivision shall publish the notice when directed to do so by the state board of tax commissioners . . .

(h) If the event is one about which notice is required to be published after the event, notice shall be published one (1) time within thirty (30) days after the date of the event.

(i) If the event is anything else, notice shall be published two (2) times, at least one (1) week apart, with the second publication made at least three (3) days before the event.

(j) In case any officer charge with the duty of publishing any notice required by law is unable to procure advertisement at the price fixed by law, or the newspaper refuses to publish the advertisement, it is sufficient for the officer to post printed notices in three (3) prominent places in the political subdivision, instead of advertisement in newspapers.

(k) If a notice of budget estimates for a political subdivision is published as required in IC 6-1.1-17-3, and the published notice contains an error due to the fault of a newspaper, the notice as presented for publication is a valid notice under this chapter.

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(m) Notwithstanding, subsection (j), if a notice of budget estimates for a political subdivision is published as required in IC 6-1.1-17-3, and if the notice is not published at least ten (10) days before the date fixed for the public hearing on the budget estimate due to the fault of a newspaper, the notice is a valid notice under this chapter if it is published one (1) time at least three (3) days before the hearing."

IC 5-3-1-2.3 states "A notice published in accordance with this chapter or any other Indiana statute is valid even though the notice contains errors or omissions, as long as:

- (1) a reasonable person would not be misled by the error or omission; and
- (2) the notice is in substantial compliance with the time and publication requirements applicable under this chapter or any other Indiana statute under which the notice is published."

Annual Reports

IC 5-3-1-3 states in part (b) "Not earlier than August 1 or later than August 15 of each year, the secretary of each school corporation in Indiana shall publish an annual report, which consists of a financial report."

The Department of Education shall do the following:

- (1) Develop guidelines for the preparation and form of the report.
- (2) Provide information to assist school corporations in the preparation of the report.

IC 5-3-1-3(f) states in part "The annual reports required by this section shall be published one (1) time only, in accordance with this chapter." and (g) "Each school corporation shall submit to the department of education a copy of the reports required under this section. The department of education shall make the reports available for public inspection."

Newspapers Defined

IC 5-3-1-0.4 defines newspaper and states "As used in this chapter, 'newspaper' refers to a newspaper that:

- (1) is a daily, weekly, semiweekly, or tri-weekly newspaper of general circulation;
- (2) has been published for at least (3) consecutive years in the same city or town;
- (3) has been entered, authorized, and accepted by the United States Postal Service for at least three (3) consecutive years as mailable matter of the periodicals class; and
- (4) has at least fifty percent (50%) of all copies circulated paid for by subscribers or other purchasers at a rate that is not nominal."

Publication Requirements - Number of Newspapers

IC 5-3-1-4 states in part (a) "Whenever officers of a political subdivision are required to publish a notice affecting the political subdivision, they shall publish the notice in two (2) newspapers published in the political subdivision." (c) "This subsection applies to notices published by . . . school corporation officers. If there is only one (1) newspaper published in the . . . school corporation, then publication in that newspaper alone is sufficient. If no newspaper is published in the . . . school corporation, then publication shall be made in a newspaper published in the county in which the . . . school corporation is located and that circulates within the . . . school corporation. The notice shall be posted:

- (1) at or near the city or town hall or school administration building; or
- (2) at the:
 - (A) public building where the governing body of the respective . . . school corporation meets; or
 - (B) post office in the . . . school corporation (or at the bank if there is no post office); if the school corporation does not have an administration building . . .

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(e) "This subsection applies to a . . . school corporation. Notwithstanding any other law, if a political subdivision has territory in more than one (1) county, public notices that are required by law or ordered to be published must be given as follows:

(1) By publication in two (2) newspapers published within the boundaries of the political subdivision.

(2) If only one (1) newspaper is published within the boundaries of the political subdivision, by publication in that newspaper and in some other newspaper:

(A) published in any county in which the political subdivision extends; and

(B) that has a general circulation in the political subdivision.

(3) If no newspaper is published within the boundaries of the political subdivision, by publication in two (2) newspapers that:

(A) are published in any counties into which the political subdivision extends; and

(B) have a general circulation in the political subdivision.

(4) If only one (1) newspaper is published in any of the counties into which the political subdivision extends, by publication in that newspaper if it circulates within the political subdivision."

(f) "A political subdivision may, in its discretion, publish public notices in a qualified publication or additional newspapers to provide supplementary notification to the public. The cost of publishing supplementary notification is a proper expenditure of the political subdivision."

CREDIT CARDS

We have received inquiries concerning the State Board of Accounts' audit position for the use of credit cards by school officers and employees. Accordingly, the following is our audit position. The State Board of Accounts will not take exception to the use of credit cards by a governmental unit provided the following criteria are observed:

1. The governing board must authorize credit card use through an ordinance or resolution, which has been approved in the minutes.
2. Issuance and use should be handled by an official or employee designated by the board.
3. The purposes for which the credit card may be used must be specifically stated in the ordinance or resolution.
4. When the purpose for which the credit card has been issued has been accomplished, the card should be returned to the custody of the responsible person.
5. The designated responsible official or employee should maintain an accounting system or log which would include the names of individuals requesting usage of the cards, their position, estimated amounts to be charged, fund and account numbers to be charged, date the card is issued and returned, etc.
6. Credit cards should not be used to bypass the accounting system. One reason that purchase orders are issued is to provide the fiscal officer with the means to encumber and track appropriations to provide the governing board and other officials with timely and accurate accounting information and monitoring of the accounting system.

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7. Payment should not be made on the basis of a statement or a credit card slip only. Procedures for payments should be no different than for any other claim. Supporting documents such as paid bills and receipts must be available. Additionally, any interest or penalty incurred due to late filing or furnishing of documentation by an officer or employee should be the responsibility of that officer or employee.
8. If properly authorized, an annual fee may be paid.

EXTRA-CURRICULAR - MEMBERSHIP DUES

IC 20-5-2-5 provides "The governing body of a school corporation may appropriate necessary funds to provide membership of the school corporation in state and national associations of an educational nature that have as their purpose the improvement of school governmental operations. A school corporation may also participate through duly designated representatives in the meetings and activities of the associations, and the governing body of the school corporation may appropriate the necessary funds to defray the expenses of the representatives in connection with the meetings and activities." Additionally, Volume 153 of The School Administrator and Uniform Compliance Guidelines, issued in March 2001 sets forth the audit position of the State Board of Accounts concerning extra-curricular general and student activity funds. Accordingly, the State Board of Accounts will not take audit exception in accordance with the preceding statutory provision and audit position as described in The School Administrator and Uniform Compliance Guidelines, to institutional memberships in the name of a school corporation and/or individual school building. These memberships should clearly not be individual memberships.

As always, please ensure that extra-curricular articles are provided to the various school buildings.

SECONDARY VOCATIONAL AND TECHNICAL EDUCATION PROGRAM ENROLLMENTS

The Indiana Department of Education has determined you must comply with the following criteria to determine if you are qualified for the additional pupil count for vocational education.

Secondary enrollments for students enrolled in vocational and technical education programs are reported as of the official count day in September. These student enrollments are reported to the Indiana Department of Education on the Form 30 A report (by the end of September) and the report is verified and signed by the Area Vocational Director. The Area Vocational Director is also responsible for reporting data on each enrollment using the state data system (INTERS or ISR) software. This data is reported to the Indiana Department of Workforce Development and the enrollment numbers should match the numbers on the Form 30 A report. A copy of the Form 30 A is submitted with the state data disk. The initial data disk is due in November and completion information is added to the data at the end of each school year.

The state data system contains information about each enrollment, such as:

- (1) Conducting School Corporation
- (2) ER Number
- (3) Local Program/Course Title
- (4) CIP Code
- (5) Co-op (yes or no)
- (6) Competency Assessment Indicator
- (7) Credit Hours

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- (8) Instructor's Name
- (9) Instructor's Social Security Number
- (10) Instructor's Certificate Number (if applicable)
- (11) Time (full or part-time staff)
- (12) Number of sections taught
- (13) Instructor's Gender
- (14) Race/Ethnic (instructor)
- (15) Adult only (if adult program)
- (16) Student's Social Security Number
- (17) Student's Name
- (18) Student's Gender
- (19) Race/Ethnic (student)
- (20) Grade Level Code
- (21) Sending School Corporation Number
- (22) Special Considerations
- (23) Disadvantaged Code
- (24) Single Parent/Displaced Homemaker
- (25) Completion Status
- (26) Occupational Skill Mastery
- (27) Graduation Code
- (28) Proficiency Credential
- (29) ISTEP Status
- (30) Date/Telephone

These two source documents, Form 30 A and the state data system, can be compared to verify secondary enrollments in vocational and technical education programs in Indiana school corporations. The Form 30 A information is available from the Indiana Department of Education and the state data system information is available from the Indiana Department of Workforce Development. The Area Vocational Director would also have copies of this information for each school corporation.

INTERNAL REVENUE SERVICE (IRS) FILING REQUIREMENTS

Please be advised we have received the following from the IRS:

Governmental entities (Federal, State, and Local), regardless of location, should file Forms 941, 940, and 945 for the quarter ended 12/31/01 and subsequently to the following address:

Returns without payment: IRS, Ogden, UT 84201-0046

Returns with payment: IRS, P.O. Box 660264, Dallas, TX 75266-0264